

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Market Test of Experimental Product-
Customized Delivery

Docket No. MT2014-1

CHAIRMAN'S INFORMATION REQUEST NO. 2

(Issued October 2, 2014)

To clarify the Postal Service's notice of intent to conduct the Customized Delivery market test,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to individual questions as soon as they are developed, but no later than October 8, 2014.

1. Please provide the basis upon which the Postal Service concludes that Customized Delivery "will not create an unfair or otherwise inappropriate competitive advantage for the Postal Service or any mailer, particularly in regard to small business concerns." See 39 U.S.C. 3641(b)(2). In this proceeding, "small business concern" means Courier and Express Delivery Services and Local Messengers and Local Delivery companies that meet the following criteria:

- a. Is a business entity organized for profit;
- b. Has a place of business located in the United States;
- c. Operates primarily within the United States or makes a significant contribution to the United States by paying taxes or using American products, materials or labor;
- d. Is independently owned and operated;

¹ Notice of the United States Postal Service of Market Test of Experimental Product—Customized Delivery, September 23, 2014 (Notice).

- e. Is not dominant in its field of operation; and
- f. Has 1,500 or fewer employees (Courier and Express Delivery Services) or has annual receipts of \$27.5 million or less (Local Messengers and Local Delivery).²

In your response, please discuss how Customized Delivery prices compare to the prices charged by grocery delivery service providers in the metropolitan areas where the Postal Service plans to offer Customized Delivery.

2. The Notice states that Customized Delivery “will provide customers with delivery of groceries and other prepackaged goods, primarily during a 3 a.m. to 7 a.m. delivery window.” Notice at 1.

- (a) Do “groceries” include items that are non-perishable? If so, please describe the types of items that would be considered groceries.
- (b) Do prepackaged goods include perishable and non-perishable items (or both)? If so, please describe the types of items that would be considered prepackaged goods.
- (c) Can the Postal Service deliver prepackaged goods via Metro Post as well as Customized Delivery?

3. To facilitate review related to “market disruption” under 39 U.S.C. 3641(b)(2), please provide any available market research on grocery delivery services undertaken in connection with this market test. Please include, without limitation, market prices for comparable services.

By the Chairman.

Ruth Y. Goldway

² Docket No. MC2010-20, Order No. 473, Order Approving Request to Transfer Selected Post Office Box Service Locations to the Competitive Product List, June 17, 2010, at 13 n.24; 13 CFR 121.201, Sectors 48-49, Subsector 492.